

# College and Universities

Analyst: Borden

## Historical Summary

| <b>OPERATING BUDGET</b>         | <b>FY 2003<br/>Total App</b> | <b>FY 2003<br/>Actual</b> | <b>FY 2004<br/>Approp</b> | <b>FY 2005<br/>Request</b> | <b>FY 2005<br/>Gov Rec</b> |
|---------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| <b>BY FUND CATEGORY</b>         |                              |                           |                           |                            |                            |
| General                         | 213,558,800                  | 206,930,000               | 218,000,000               | 233,091,100                | 223,366,200                |
| Dedicated                       | 101,656,800                  | 89,017,900                | 109,172,400               | 108,789,100                | 111,410,100                |
| <b>Total:</b>                   | <b>315,215,600</b>           | <b>295,947,900</b>        | <b>327,172,400</b>        | <b>341,880,200</b>         | <b>334,776,300</b>         |
| Percent Change:                 |                              | (6.1%)                    | 10.6%                     | 4.5%                       | 2.3%                       |
| <b>BY OBJECT OF EXPENDITURE</b> |                              |                           |                           |                            |                            |
| Personnel Costs                 | 0                            | 234,458,500               | 0                         | 0                          | 0                          |
| Operating Expenditures          | 0                            | 50,249,900                | 0                         | 0                          | 0                          |
| Capital Outlay                  | 0                            | 11,239,400                | 0                         | 0                          | 0                          |
| Lump Sum                        | 315,215,600                  | 100                       | 327,172,400               | 341,880,200                | 334,776,300                |
| <b>Total:</b>                   | <b>315,215,600</b>           | <b>295,947,900</b>        | <b>327,172,400</b>        | <b>341,880,200</b>         | <b>334,776,300</b>         |
| Full-Time Positions (FTP)       | 3,552.82                     | 3,473.51                  | 3,590.51                  | 3,651.80                   | 3,631.55                   |

## Division Description

Idaho's baccalaureate institutions of higher education include Boise State University in Boise, Idaho State University in Pocatello, the University of Idaho in Moscow, and Lewis-Clark State College in Lewiston.

These four year schools provide a wide variety of on and off-campus educational programs to meet the personal and professional needs of Idahoans at the baccalaureate, masters and doctoral levels. They also provide assistance to Idaho citizens through research and service programs. Idaho's college and universities cooperate and collaborate to efficiently use the resources that support the state's higher education system.

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## Comparative Summary

| Decision Unit                         | Agency Request  |                    |                    | Governor's Rec  |                    |                    |
|---------------------------------------|-----------------|--------------------|--------------------|-----------------|--------------------|--------------------|
|                                       | FTP             | General            | Total              | FTP             | General            | Total              |
| <b>FY 2004 Original Appropriation</b> | <b>3,590.51</b> | <b>218,000,000</b> | <b>327,172,400</b> | <b>3,590.51</b> | <b>218,000,000</b> | <b>327,172,400</b> |
| Reappropriations                      | 0.00            | 5,300              | 32,233,600         | 0.00            | 5,300              | 32,233,600         |
| Other Approp Adjustments              | 0.00            | 0                  | 0                  | 0.00            | 0                  | 0                  |
| <b>FY 2004 Total Appropriation</b>    | <b>3,590.51</b> | <b>218,005,300</b> | <b>359,406,000</b> | <b>3,590.51</b> | <b>218,005,300</b> | <b>359,406,000</b> |
| Non-Cognizable Funds and Transfers    | 41.04           | 0                  | 66,600             | 41.04           | 0                  | 66,600             |
| <b>FY 2004 Estimated Expenditures</b> | <b>3,631.55</b> | <b>218,005,300</b> | <b>359,472,600</b> | <b>3,631.55</b> | <b>218,005,300</b> | <b>359,472,600</b> |
| Removal of One-Time Expenditures      | 0.00            | (5,300)            | (32,300,200)       | 0.00            | (5,300)            | (32,300,200)       |
| Base Adjustments                      | 0.00            | 0                  | 0                  | 0.00            | 0                  | 0                  |
| <b>FY 2005 Base</b>                   | <b>3,631.55</b> | <b>218,000,000</b> | <b>327,172,400</b> | <b>3,631.55</b> | <b>218,000,000</b> | <b>327,172,400</b> |
| Personnel Cost Rollups                | 0.00            | 2,903,000          | 3,939,900          | 0.00            | 2,903,000          | 3,939,900          |
| Inflationary Adjustments              | 0.00            | 271,500            | 922,700            | 0.00            | 0                  | 0                  |
| Nonstandard Adjustments               | 20.25           | 4,211,200          | 4,900,100          | 0.00            | (957,600)          | (957,600)          |
| Change in Employee Compensation       | 0.00            | 1,689,800          | 2,282,100          | 0.00            | 3,420,800          | 4,619,900          |
| Fund Shifts                           | 0.00            | 3,352,600          | 0                  | 0.00            | 0                  | 1,700              |
| <b>FY 2005 Program Maintenance</b>    | <b>3,651.80</b> | <b>230,428,100</b> | <b>339,217,200</b> | <b>3,631.55</b> | <b>223,366,200</b> | <b>334,776,300</b> |
| 1. Funding Equity                     | 0.00            | 2,663,000          | 2,663,000          | 0.00            | 0                  | 0                  |
| Lump Sum or Other Adjustments         | 0.00            | 0                  | 0                  | 0.00            | 0                  | 0                  |
| <b>FY 2005 Total</b>                  | <b>3,651.80</b> | <b>233,091,100</b> | <b>341,880,200</b> | <b>3,631.55</b> | <b>223,366,200</b> | <b>334,776,300</b> |
| Change from Original Appropriation    | 61.29           | 15,091,100         | 14,707,800         | 41.04           | 5,366,200          | 7,603,900          |
| % Change from Original Appropriation  |                 | 6.9%               | 4.5%               |                 | 2.5%               | 2.3%               |

# College and Universities

Analyst: Borden

| Budget by Decision Unit               | FTP      | General     | Dedicated   | Federal | Total       |
|---------------------------------------|----------|-------------|-------------|---------|-------------|
| <b>FY 2004 Original Appropriation</b> |          |             |             |         |             |
|                                       | 3,590.51 | 218,000,000 | 109,172,400 | 0       | 327,172,400 |

## Reappropriations

Reappropriation authority -- otherwise known as carryover -- allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the FY 2005 Base. Carry over requires specific legislative authorization and must be approved every year. Few appropriations receive reappropriation authority.

The four institutions are carrying over a total of \$32.2 million from FY 2003 into the current fiscal year. This money consists almost entirely of student fees (one-tenth of one percent, or \$45,300, are endowment funds). The institutions regard the reappropriation authority granted to them each year by the Legislature to be a very valuable tool for managing their large, diverse and growing operations. They also assert that it allows them to plan for and spend their limited resources more efficiently and effectively. These carried over funds are earmarked for a variety of one-time uses including ongoing capital projects, technology replacement, instructional and support equipment, faculty research projects, HERC and Technology grants, property acquisition and general institutional reserves.

The State Board of Education has reviewed and approved these carryover amounts and uses.

|                                  |             |              |                   |          |                   |
|----------------------------------|-------------|--------------|-------------------|----------|-------------------|
| Agency Request                   | 0.00        | 5,300        | 32,228,300        | 0        | 32,233,600        |
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>5,300</i> | <i>32,228,300</i> | <i>0</i> | <i>32,233,600</i> |

## Other Approp Adjustments

Includes minor 'Other Appropriation Adjustments' that net to zero.

|                                  |             |          |          |          |          |
|----------------------------------|-------------|----------|----------|----------|----------|
| Agency Request                   | 0.00        | 0        | 0        | 0        | 0        |
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |

|                                    |                 |                    |                    |          |                    |
|------------------------------------|-----------------|--------------------|--------------------|----------|--------------------|
| <b>FY 2004 Total Appropriation</b> |                 |                    |                    |          |                    |
| Agency Request                     | 3,590.51        | 218,005,300        | 141,400,700        | 0        | 359,406,000        |
| <i>Governor's Recommendation</i>   | <i>3,590.51</i> | <i>218,005,300</i> | <i>141,400,700</i> | <i>0</i> | <i>359,406,000</i> |

## Non-Cognizable Funds and Transfers

Like other higher education appropriations, the FY 2004 appropriation to the four year higher education institutions did not include a cap on their number of full-time equivalent positions. Recorded here is the net change in positions that results in a one percent FTP increase. Also shown are one-time, non-cognizable funds that net to \$66,000. The source of these moneys are primarily FY 2003 actual student fees that differed from estimated amounts.

|                                  |              |          |               |          |               |
|----------------------------------|--------------|----------|---------------|----------|---------------|
| Agency Request                   | 41.04        | 0        | 66,600        | 0        | 66,600        |
| <i>Governor's Recommendation</i> | <i>41.04</i> | <i>0</i> | <i>66,600</i> | <i>0</i> | <i>66,600</i> |

|                                       |                 |                    |                    |          |                    |
|---------------------------------------|-----------------|--------------------|--------------------|----------|--------------------|
| <b>FY 2004 Estimated Expenditures</b> |                 |                    |                    |          |                    |
| Agency Request                        | 3,631.55        | 218,005,300        | 141,467,300        | 0        | 359,472,600        |
| <i>Governor's Recommendation</i>      | <i>3,631.55</i> | <i>218,005,300</i> | <i>141,467,300</i> | <i>0</i> | <i>359,472,600</i> |

## Removal of One-Time Expenditures

The amounts carried over from FY 2003 as well as the non-cognizable funds are one-time moneys for FY 2004 and thus removed prior to calculating the FY 2005 Base.

|                                  |             |                |                     |          |                     |
|----------------------------------|-------------|----------------|---------------------|----------|---------------------|
| Agency Request                   | 0.00        | (5,300)        | (32,294,900)        | 0        | (32,300,200)        |
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>(5,300)</i> | <i>(32,294,900)</i> | <i>0</i> | <i>(32,300,200)</i> |

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| Budget by Decision Unit  | FTP             | General            | Dedicated          | Federal  | Total              |
|--|-----------------|--------------------|--------------------|----------|--------------------|
| <b>Base Adjustments</b>  |                 |                    |                    |          |                    |
| Includes minor 'Base Adjustments' that net to zero.  |                 |                    |                    |          |                    |
| Agency Request   | 0.00            | 0                  | 0                  | 0        | 0                  |
| <i>Governor's Recommendation</i>   | <i>0.00</i>     | <i>0</i>           | <i>0</i>           | <i>0</i> | <i>0</i>           |
| <b>FY 2005 Base</b>  |                 |                    |                    |          |                    |
| Agency Request   | 3,631.55        | 218,000,000        | 109,172,400        | 0        | 327,172,400        |
| <i>Governor's Recommendation</i>   | <i>3,631.55</i> | <i>218,000,000</i> | <i>109,172,400</i> | <i>0</i> | <i>327,172,400</i> |
| <b>Personnel Cost Rollups</b>  |                 |                    |                    |          |                    |
| Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are: health insurance rates which are projected to increase by 17 percent, from \$5,548 to \$6,493 per employee; and retirement system (PERSI) rates that will increase by over 6% to 10.39 and 10.73 percent of salary for regular and police/firefighter members, respectively. |                 |                    |                    |          |                    |
| Agency Request   | 0.00            | 2,903,000          | 1,036,900          | 0        | 3,939,900          |
| <i>Governor's Recommendation</i>   | <i>0.00</i>     | <i>2,903,000</i>   | <i>1,036,900</i>   | <i>0</i> | <i>3,939,900</i>   |
| <b>Inflationary Adjustments</b>  |                 |                    |                    |          |                    |
| Includes a general inflationary increase of 1.9% for applicable operating expenditures. Base funding for a number of items, including Attorney General, State Controller, State Treasurer, property/casualty insurance and the like, are removed prior to applying the inflationary factor to the remaining operating expenses.  |                 |                    |                    |          |                    |
| Agency Request   | 0.00            | 271,500            | 651,200            | 0        | 922,700            |
| <i>The Governor recommends no increase for general inflation.</i>  |                 |                    |                    |          |                    |
| <i>Governor's Recommendation</i>   | <i>0.00</i>     | <i>0</i>           | <i>0</i>           | <i>0</i> | <i>0</i>           |

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|-------------------------|-----|---------|-----------|---------|-------|
|-------------------------|-----|---------|-----------|---------|-------|

## Nonstandard Adjustments

**INTERNAL NONSTANDARD ADJUSTMENTS** The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services. Also included are changes in property/casualty insurance premiums and the cost of office space leased to state agencies by the Department of Administration. For FY 2005, these adjustments include a \$372,800 reduction in State Controller fees, an additional \$1,600 for State Treasurer fees, and a \$586,400 reduction in property/casualty insurance premiums for a net change (reduction) of \$957,600.

**EXTERNAL NONSTANDARD ADJUSTMENTS** include several formula-driven components:

**ENROLLMENT WORKLOAD ADJUSTMENT** General Fund money totaling \$2,679,800 and 12.0 FTE is requested for the annual Enrollment Workload Adjustment. EWA funding is based on a 3-year moving average of credit hours multiplied by course level and program weights. Credit hours generated from externally funded sources or contracts are not included. Weighting factors are applied to four groups of instructional disciplines and for lower, upper, masters, doctoral and law course levels. An additional 5% emphasis factor is given to each institution's primary emphasis (Role & Mission) areas.

**NEW OCCUPANCY COSTS** A total of \$1,996,800 is requested to pay for the costs associated with new academic facilities that will be occupied for the first time in FY 2005. These amounts were arrived at using the State Board of Education-approved formula that determines how much it will cost to cover maintenance, custodial and utilities for new campus buildings. Of the total amount, Personnel Costs are \$282,800 for 8.25 FTE and Operating Expenditures are \$1.7 million. BSU is requesting \$185,500 to occupy the first academic building on their West Campus for half of the fiscal year. ISU is requesting \$978,100 to occupy its new performing arts center. The UI is requesting \$676,100 for six facilities including the Alumni Residence Center, the UI Research Park, the Vandal Athletic Center, the Living & Learning Center, the Water Center and the Teaching & Learning Center. LCSC is requesting \$157,100 to occupy the Campus Activity Center for half of the fiscal year.

**LIBRARY BOOK & PERIODICAL INFLATION** The institutions request \$477,900 for the increased cost of library books and periodicals above the standard 1.9% general inflation rate. These publications typically increase every year at a rate above the standard inflationary rate. Those rates are estimated to be 2.4% for books and 10.5% for periodicals. Funding this request would allow the institutions to maintain their current level of book acquisitions and periodical subscriptions.

**INCREASED UTILITY COSTS** The institutions also request \$703,200 for utility cost increases that exceed the standard inflationary rate. The institutions use a mix of electricity, natural gas and coal. Both BSU and ISU are anticipating a 31% increase in their natural gas rates while the UI is expecting a 13% increase in its electricity bill.

Although, as requested, these nonstandard adjustments would be funded with a mix of General and dedicated funds, a fund shift is also being requested on the next page to move all dedicated fund MCO increases onto the General Fund.

|                |       |           |         |   |           |
|----------------|-------|-----------|---------|---|-----------|
| Agency Request | 20.25 | 4,211,200 | 688,900 | 0 | 4,900,100 |
|----------------|-------|-----------|---------|---|-----------|

*The governor recommends no funding for the Enrollment Workload Adjustment, new occupancy costs, library acquisitions or utility rate increases.*

|                           |      |           |   |   |           |
|---------------------------|------|-----------|---|---|-----------|
| Governor's Recommendation | 0.00 | (957,600) | 0 | 0 | (957,600) |
|---------------------------|------|-----------|---|---|-----------|

## Change in Employee Compensation

Reflects the cost of a 1% salary increase for permanent and group positions.

|                |      |           |         |   |           |
|----------------|------|-----------|---------|---|-----------|
| Agency Request | 0.00 | 1,689,800 | 592,300 | 0 | 2,282,100 |
|----------------|------|-----------|---------|---|-----------|

*The Governor recommends a compensation increase of 2% to be distributed based on merit. No adjustment to the pay line is recommended.*

|                           |      |           |           |   |           |
|---------------------------|------|-----------|-----------|---|-----------|
| Governor's Recommendation | 0.00 | 3,420,800 | 1,199,100 | 0 | 4,619,900 |
|---------------------------|------|-----------|-----------|---|-----------|

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|-------------------------|-----|---------|-----------|---------|-------|
|-------------------------|-----|---------|-----------|---------|-------|

## Fund Shifts

**MCO INCREASE FUND SHIFT** Sixty-eight percent or \$2,278,600 of this fund shift is requested to provide additional General Fund money to replace the Maintenance of Current Operations increases allocated to the endowments and student fees. Shifting these maintenance increases onto the General Fund is intended to allow those other funds sources to maintain their full 'purchasing power' and not diminish the educational services they provide.

**ENDOWMENT LOSS REPLACEMENT** Since last fiscal year, the earnings from the five endowment funds that help support higher education in Idaho have declined by \$1,071,700 or 8.96%. For FY 2004, the State Board of Land Commissioners approved distributions totaling \$11,964,700. For FY 2005, the Land Board has indicated that \$10,893,000 will be distributed to higher education. The four-year institutions request General Fund money to replace the diminished endowment funds and maintain equivalent funding at the FY 2004 level.

Of the total \$3.4 million being requested, \$2.3 million or 68% would offset the student fee MCO increases while \$1.1 million or 32% would offset the endowment fund losses.

|                |      |           |             |   |   |
|----------------|------|-----------|-------------|---|---|
| Agency Request | 0.00 | 3,352,600 | (3,352,600) | 0 | 0 |
|----------------|------|-----------|-------------|---|---|

*The governor does not recommend replacing with General Fund money the endowment funds or student fees needed for maintenance of current operations cost increases. However, \$1,945,900 in additional student fee spending authority is recommended to the extent cash is available.*

*The governor also does not recommend replacing the anticipated shortfall in endowment fund distributions with General Fund money. Further, the governor recommends adjusting (reducing) endowment fund spending authority by \$1,944,200 based on a reduced payout percentage.*

|                           |      |   |       |   |       |
|---------------------------|------|---|-------|---|-------|
| Governor's Recommendation | 0.00 | 0 | 1,700 | 0 | 1,700 |
|---------------------------|------|---|-------|---|-------|

## FY 2005 Program Maintenance

|                           |          |             |             |   |             |
|---------------------------|----------|-------------|-------------|---|-------------|
| Agency Request            | 3,651.80 | 230,428,100 | 108,789,100 | 0 | 339,217,200 |
| Governor's Recommendation | 3,631.55 | 223,366,200 | 111,410,100 | 0 | 334,776,300 |

| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|-------------------------|-----|---------|-----------|---------|-------|
|-------------------------|-----|---------|-----------|---------|-------|

## 1. Funding Equity

In 2001, members of the Legislature prompted the State Board of Education to examine equity of state funding among Idaho's four-year institutions of higher education. The task was to determine if similar students in similar programs received similar amounts of state funding. The Board engaged a private consulting firm that first concluded that Idaho's baccalaureate institutions were not funded equitably when compared with peer institutions in other states (funding adequacy). After controlling for various factors to isolate comparable instructional costs, the consultants also concluded that state funds for similar students in similar programs were not distributed equitably between Boise State University, Idaho State University, the University of Idaho and Lewis-Clark State College (funding equity).

**PART 1: BASE INSTRUCTIONAL EQUITY** Upon receiving the consultant's report, the State Board of Education appointed several members to a task force and asked them to provide findings and recommendations to the full Board. The task force chose to focus on funding equity while acknowledging that funding adequacy was a legitimate but separate issue. At their January 2002 meeting, the full Board accepted task force findings that an inequity does exist in the base instructional funding between Idaho's four-year institutions. To correct that inequity, the Board requests \$7,920,000. BSU would receive \$4,490,700 or 57%, ISU would receive \$3,429,300 or 43% while the UI and LCSC would receive no additional Base Instructional Equity funding. The Board recommends that Base Instructional Equity be achieved with new, additional funding rather than by reallocating existing base funds among the four institutions.

**PART 2: SCIENCE & TECHNOLOGY GROWTH ADJUSTMENT** In addition to the Base Instructional Equity funding, the Board considered a Science & Technology Growth Adjustment. This aspect of adequacy funding was promoted by the governor consistent with the chief executive's higher education research initiative. The Board requests \$3,000,000 for a Science & Technology Growth Adjustment and considers it equal in priority with the request for Base Instructional Equity funding. The \$3 million would be distributed among the four-year institutions in direct proportion to their audited research expenditures of the prior fiscal year. In no case would an institution receive less than \$75,000. Under that formula, BSU would receive \$302,000 or 10%, ISU would receive \$326,400 or 11%, the UI would receive \$2,296,600 or 77%, and LCSC would receive \$75,000 or 3%.

**PART 3: ENROLLMENT WORKLOAD ADJUSTMENT CARRY FORWARD** Finally, the Board addressed the methodology used to allocate funds provided for enrollment changes, otherwise known as the Enrollment Workload Adjustment. They first modified the EWA formula to give greater weight to doctoral level credits, as recommended by the consultants and task force. They then declared it their policy to carry forward any unfunded portion of the annual Enrollment Workload Adjustment into future years' appropriation requests until fully funded. This policy recognizes that enrollment increases not supported with additional state funds will create and perpetuate new funding inequities. Since no new money was appropriated for the Enrollment Workload Adjustment in FY 2003, the FY 2005 Equity enhancement request includes \$617,200 in carry forward EWA funding from that year. For FY 2004, \$1,364,900 was requested for the EWA and 52% or \$651,900 was funded. The remaining \$713,000 plus an additional \$1,064,900 due to actual versus projected weighted credit hours has also been added into the EWA carry forward for FY 2005. Therefore, the total unfunded EWA carry forward contained in this request is \$2,395,100. (The FY 2005 Enrollment Workload Adjustment of \$2,679,800 is found under Non-Standard Adjustments section of this appropriation request.)

**TOTAL** When combined, the three components of Base Instructional Equity, Science & Technology Growth Adjustment and Enrollment Workload Adjustment carry forward result in a total request of \$13,315,100. Of that amount, BSU would receive \$5,106,500 or 38%, ISU would receive \$4,372,100 or 33%, UI would receive \$3,776,300 or 28% and LCSC would receive \$60,200 or 1%.

**FY 2005 ENHANCEMENT REQUEST** The actual FY 2005 request seeks only one-fifth of the total, or \$2,663,000 in ongoing General Fund money. The State Board of Education expects to make a similar request each year for the following four years, through FY 2009, at which time funding equity would theoretically be achieved among the state's four-year institutions of higher education. This assumes, of course, that the Legislature will provide full funding for each year's Funding Equity and Enrollment Workload Adjustment requests.

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| Budget by Decision Unit                 | FTP         | General   | Dedicated | Federal  | Total     |
|---|-------------|-----------|-----------|----------|-----------|
| Agency Request                          | 0.00        | 2,663,000 | 0         | 0        | 2,663,000 |
| <i>Not recommended by the Governor.</i> |             |           |           |          |           |
| <i>Governor's Recommendation</i>        | <i>0.00</i> | <i>0</i>  | <i>0</i>  | <i>0</i> | <i>0</i>  |

## Lump Sum or Other Adjustments

A lump sum appropriation removes all restrictions that limit the transfer of moneys among Personnel Costs, Operating Expenses, Capital Outlay and Trustee/Benefit Payments. As an exception to state budget laws, a lump sum appropriation requires specific legislative authorization and approval per Section 67-3508(1), Idaho Code.

Higher education budgets in Idaho have typically been appropriated in a lump sum. The institutions again request lump sum funding citing the need for maximum flexibility as they deal with increasing enrollments and continued pressures on appropriations.

|                                     |             |          |          |          |          |
|-------------------------------------|-------------|----------|----------|----------|----------|
| Agency Request                      | 0.00        | 0        | 0        | 0        | 0        |
| <i>Recommended by the governor.</i> |             |          |          |          |          |
| <i>Governor's Recommendation</i>    | <i>0.00</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> |

|                                  |                 |                    |                    |          |                    |
|----------------------------------|-----------------|--------------------|--------------------|----------|--------------------|
| <b>FY 2005 Total</b>             |                 |                    |                    |          |                    |
| Agency Request                   | 3,651.80        | 233,091,100        | 108,789,100        | 0        | 341,880,200        |
| <i>Governor's Recommendation</i> | <i>3,631.55</i> | <i>223,366,200</i> | <i>111,410,100</i> | <i>0</i> | <i>334,776,300</i> |

## Agency Request

|                            |       |            |           |   |            |
|----------------------------|-------|------------|-----------|---|------------|
| Change from Original App   | 61.29 | 15,091,100 | (383,300) | 0 | 14,707,800 |
| % Change from Original App | 1.7%  | 6.9%       | (0.4%)    |   | 4.5%       |

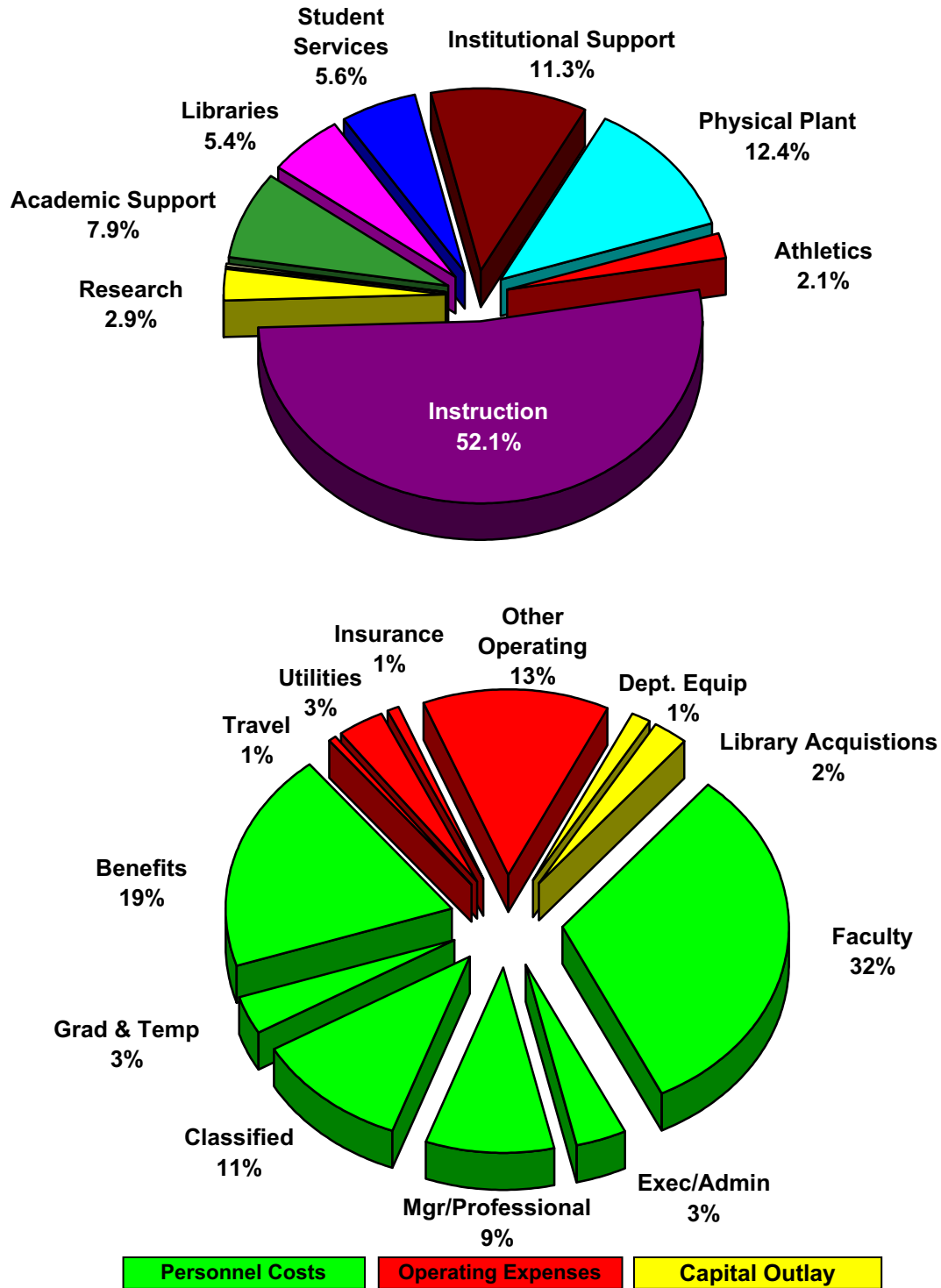
## Governor's Recommendation

|                            |       |           |           |   |           |
|----------------------------|-------|-----------|-----------|---|-----------|
| Change from Original App   | 41.04 | 5,366,200 | 2,237,700 | 0 | 7,603,900 |
| % Change from Original App | 1.1%  | 2.5%      | 2.0%      |   | 2.3%      |



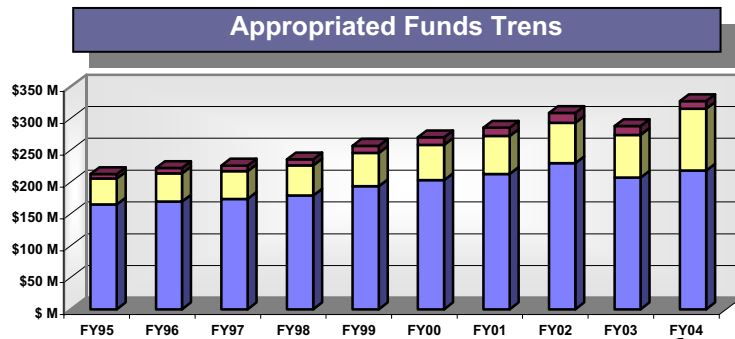
## Uses of FY 2004 Appropriated Moneys

Original Appropriation = \$327,172,400  
(Charts do not include \$3.1 million for System wide Initiatives)



Data Source: Office of the State Board of Education

## FY 2004 Original Appropriation \$327,172,400

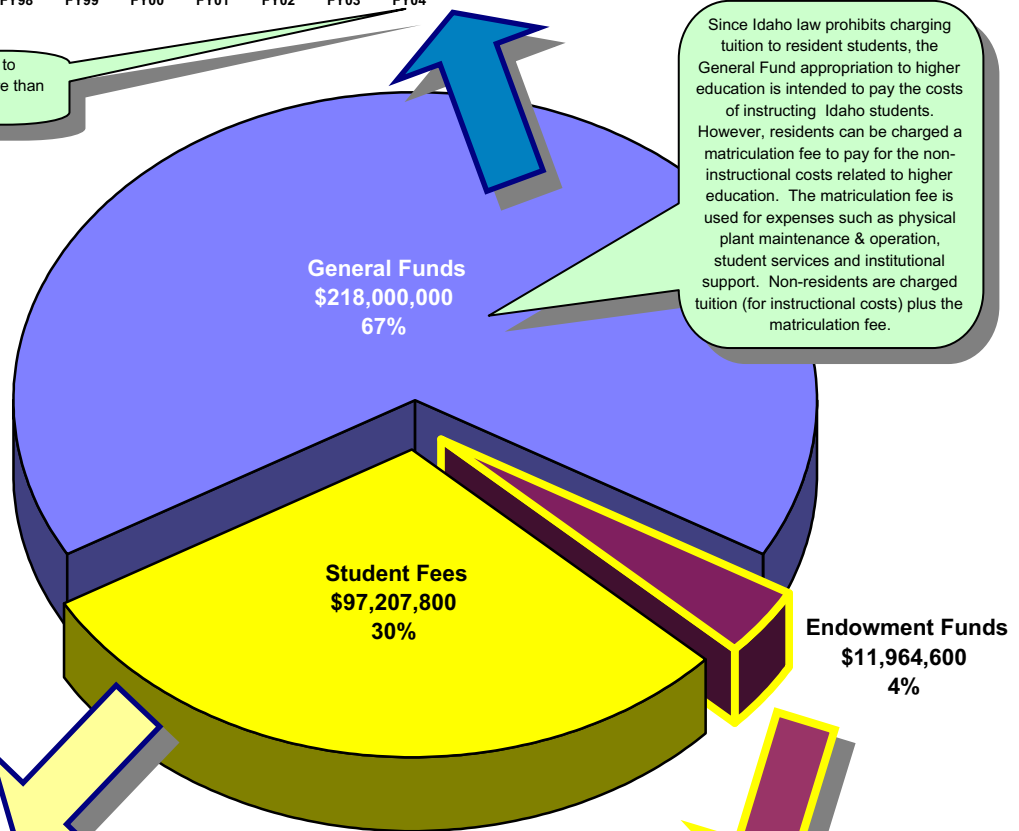


Student fees make up a larger percentage of today's higher education appropriation while the General Fund portion is declining and endowments, after a period of increase, are now comparable to their relative percentage from a decade ago.

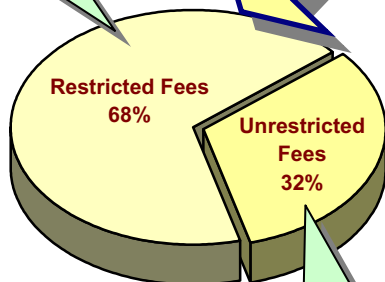
More on trends...

The FY 2004 General Fund appropriation to Idaho's college & universities is 2.5% more than FY 2001 budget.

Since Idaho law prohibits charging tuition to resident students, the General Fund appropriation to higher education is intended to pay the costs of instructing Idaho students. However, residents can be charged a matriculation fee to pay for the non-instructional costs related to higher education. The matriculation fee is used for expenses such as physical plant maintenance & operation, student services and institutional support. Non-residents are charged tuition (for instructional costs) plus the matriculation fee.



Restricted fees, otherwise known as matriculation fees, cannot be used for instructional costs. They can be used for physical plant maintenance & operation, student services and institutional support.



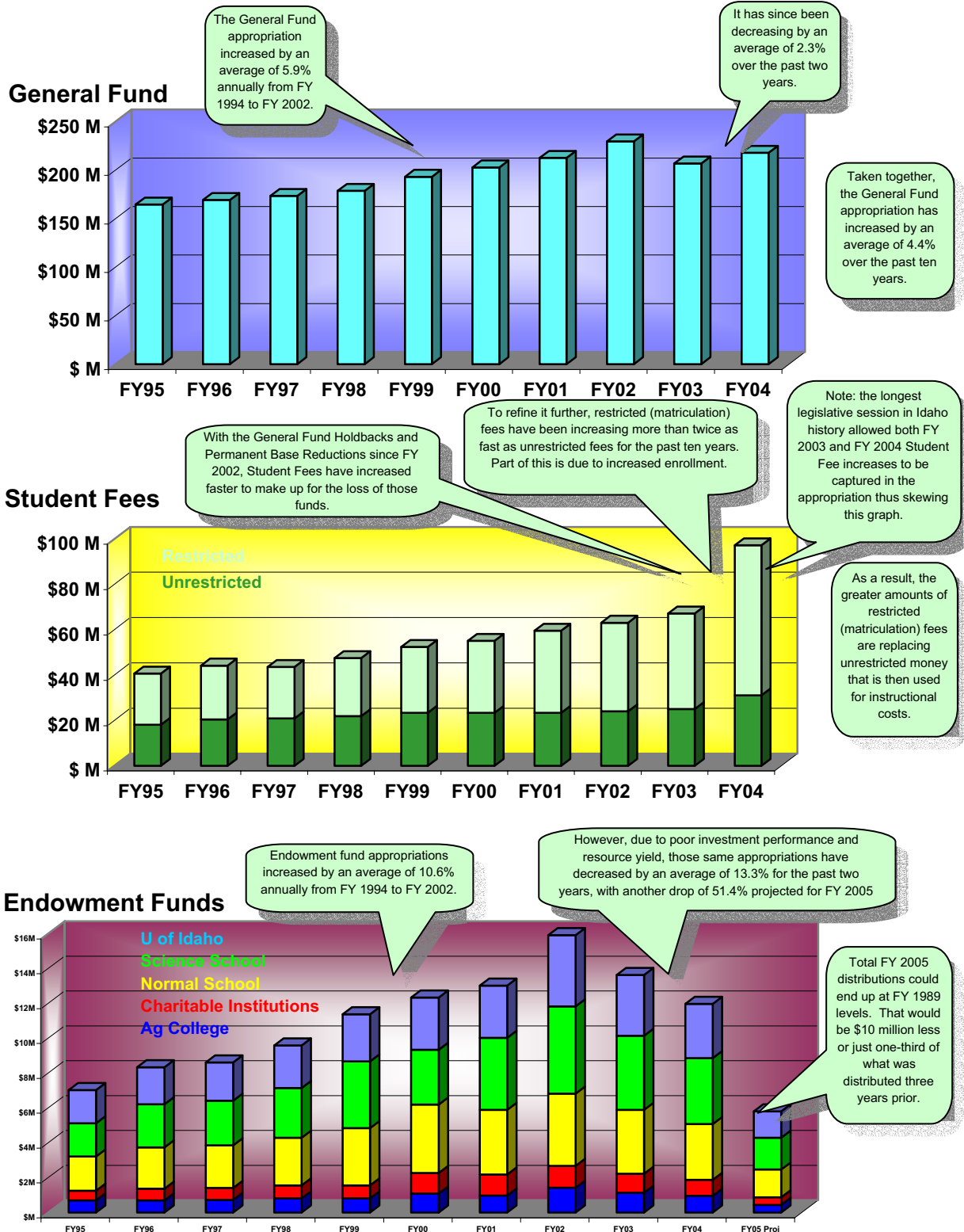
Unrestricted fees can be used for any purpose, including instructional costs.

| Endowment Fund          | Endowed Institution | FY 2004 Appropriation | % of Total  |
|-------------------------|---------------------|-----------------------|-------------|
| Agricultural College    | UI 100%             | \$ 960,000            | 8%          |
| Charitable Institutions | ISU 26.7%           | \$ 914,600            | 8%          |
| Normal School           | 50%, LCSC !         | \$ 3,195,000          | 27%         |
| Scientific School       | UI 100%             | \$ 3,785,000          | 32%         |
| University              | UI 100%             | \$ 3,110,000          | 26%         |
|                         |                     | <b>\$ 11,964,600</b>  | <b>100%</b> |

The endowment appropriation was reduced 9% or \$1.1 million from FY 2003 to FY 2004 due to poor investment performance.

Source: Idaho Legislative Services Office, Budget & Policy Analysis

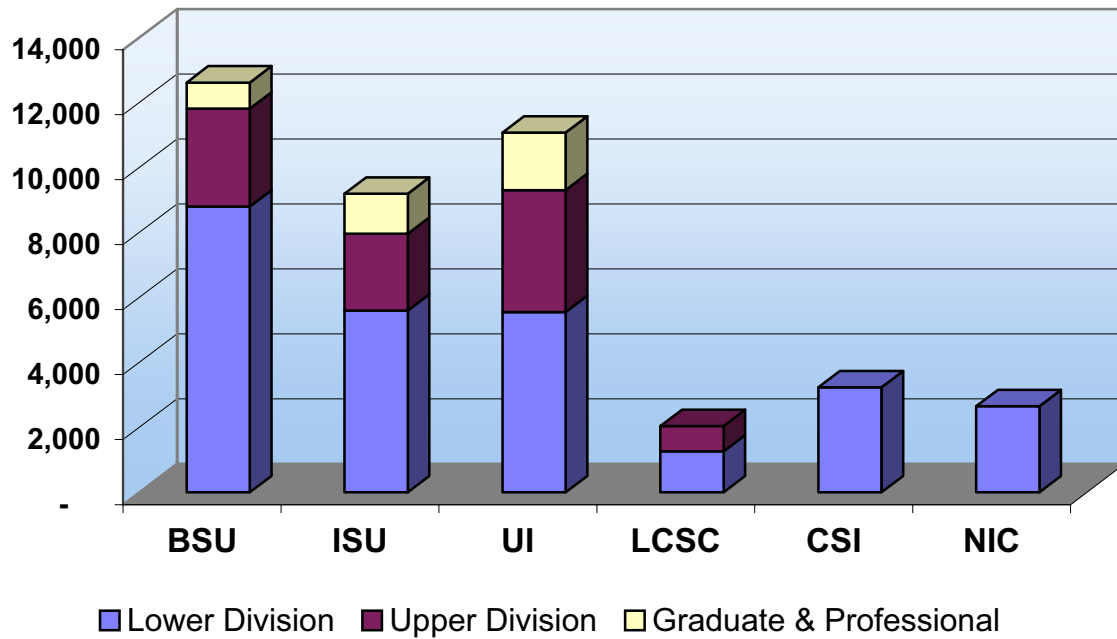
## Trend Analysis of Appropriated Funds



Source: Idaho Legislative Services Office - Budget & Policy Analysis

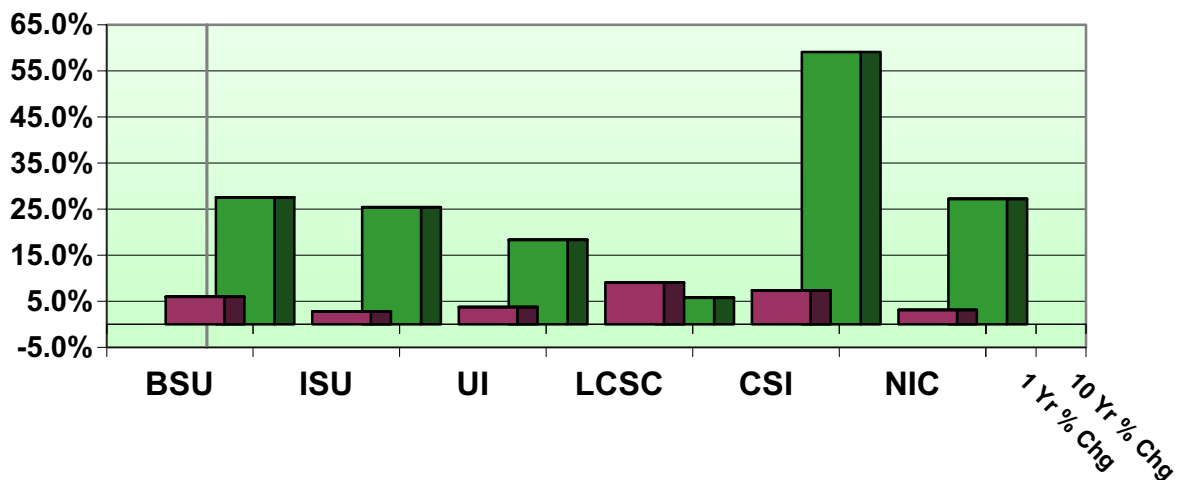
### FTE STUDENT ENROLLMENT

Fall 2003, Academic Only



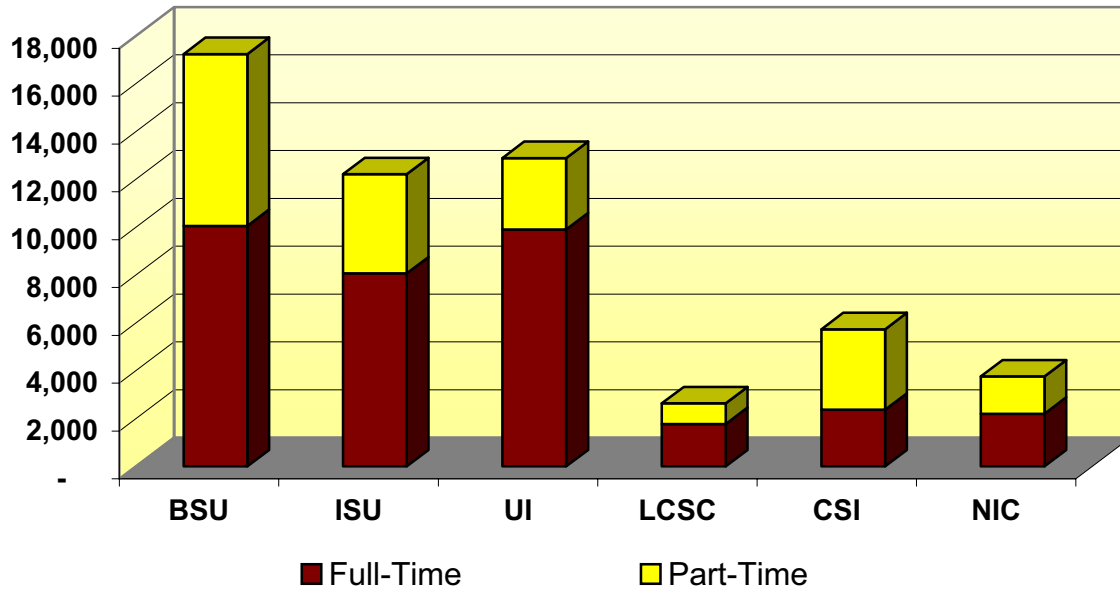
### FTE STUDENT PERCENT CHANGE One Year & Ten Year

2002 to 2003 & 1993 to 2003, Fall, Academic Only

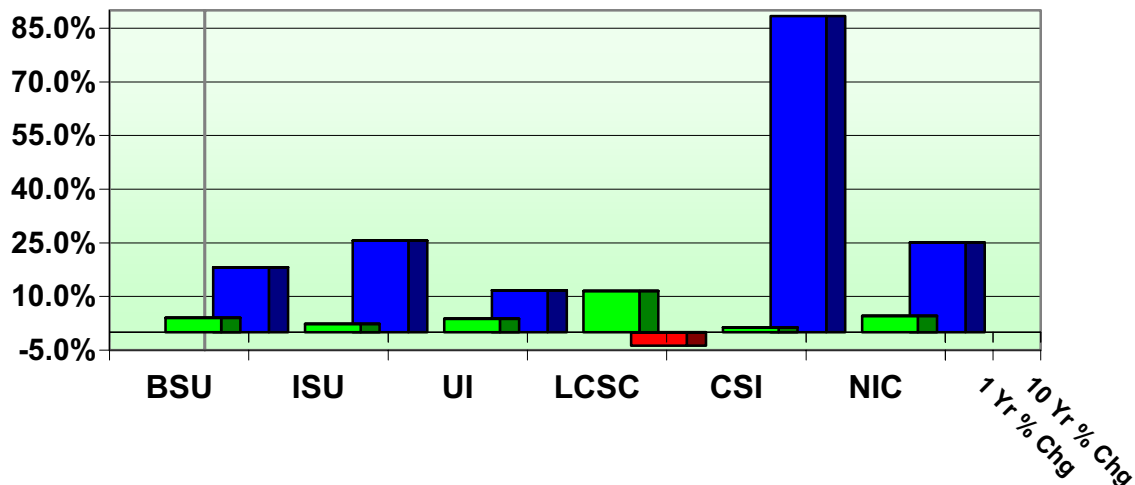


Data Source: Office of the State Board of Education

**STUDENT HEADCOUNT ENROLLMENT**  
Fall 2003, Academic Only



**STUDENT HEADCOUNT PERCENT CHANGE**  
One Year & Ten Year  
2002 to 2003 & 1993 to 2003, Fall, Academic Only



Data Source: Office of the State Board of Education

# College & Universities Issues & Information

Analyst: Borden

## ANNUAL Undergraduate Full-Time Student Fees & Tuition

| RESIDENT FEES |          |          |           |          |
|---------------|----------|----------|-----------|----------|
|               | FY 2003  | FY 2004  | \$ Change | % Change |
| BSU           | \$ 2,984 | \$ 3,251 | \$ 267    | 8.9%     |
| ISU           | \$ 3,136 | \$ 3,448 | \$ 312    | 9.9%     |
| UI            | \$ 3,044 | \$ 3,348 | \$ 304    | 10.0%    |
| LCSC          | \$ 2,852 | \$ 3,126 | \$ 274    | 9.6%     |
| Average       | \$ 3,004 | \$ 3,293 | \$ 289    | 9.6%     |

| Anatomy of Resident Student Fees |                 |     |
|----------------------------------|-----------------|-----|
|                                  | FY 2004 Average | %   |
| Matriculation Fee                | \$ 2,084        | 63% |
| Technology Fee                   | \$ 83           | 3%  |
| Facility Fee                     | \$ 483          | 15% |
| Activity Fees                    | \$ 656          | 20% |
| Total                            | \$ 3,306        |     |

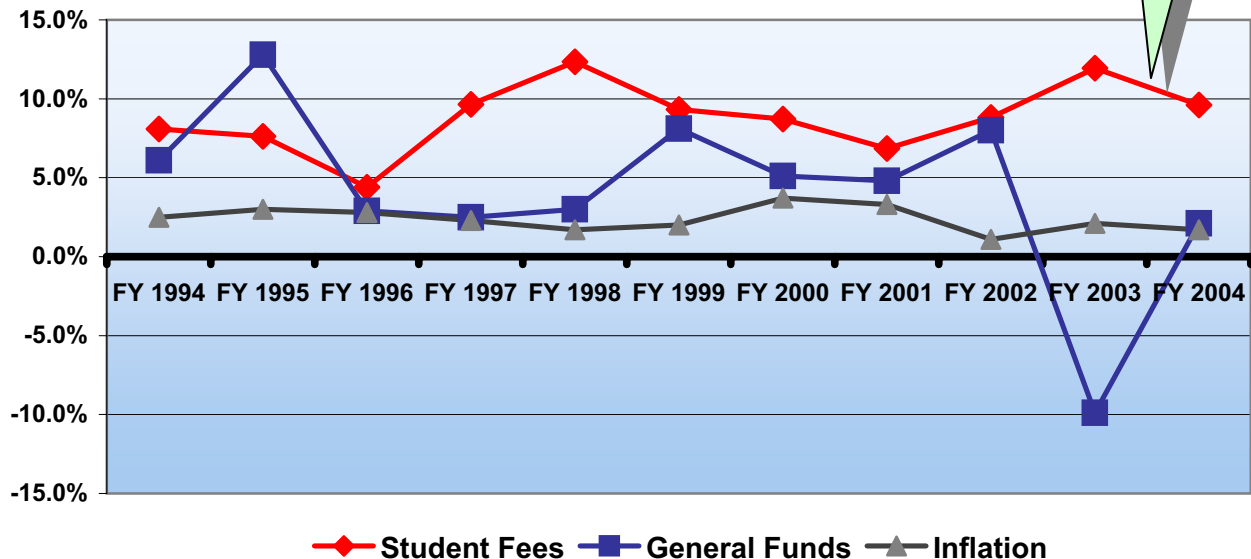
| NON-RESIDENT TUITION  |          |          |           |          |
|---|----------|----------|-----------|----------|
|   | FY 2003  | FY 2004  | \$ Change | % Change |
| BSU   | \$ 6,400 | \$ 6,720 | \$ 320    | 5.0%     |
| ISU   | \$ 6,240 | \$ 6,600 | \$ 360    | 5.8%     |
| UI  | \$ 6,720 | \$ 7,392 | \$ 672    | 10.0%    |
| LCSC  | \$ 5,710 | \$ 5,998 | \$ 288    | 5.0%     |
| Average   | \$ 6,268 | \$ 6,678 | \$ 410    | 6.5%     |
| (Non-Residents pay Resident Fees plus Non-Resident Tuition) |          |          |           |          |

Idaho's average annual resident undergraduate fees were 92% of the the WICHE state average of \$3,267 for the 2002-2003 academic year.

Idaho's average annual non-resident undergraduate fees & tuition were 86% of the WICHE state average of \$10,766 for the 2002-2003 academic year.

Resident student fees have increased by an average of 8.9% over the past ten years.

## PERCENT CHANGE, FY 1994 to FY 2004 Student Fees, General Funds & Inflation

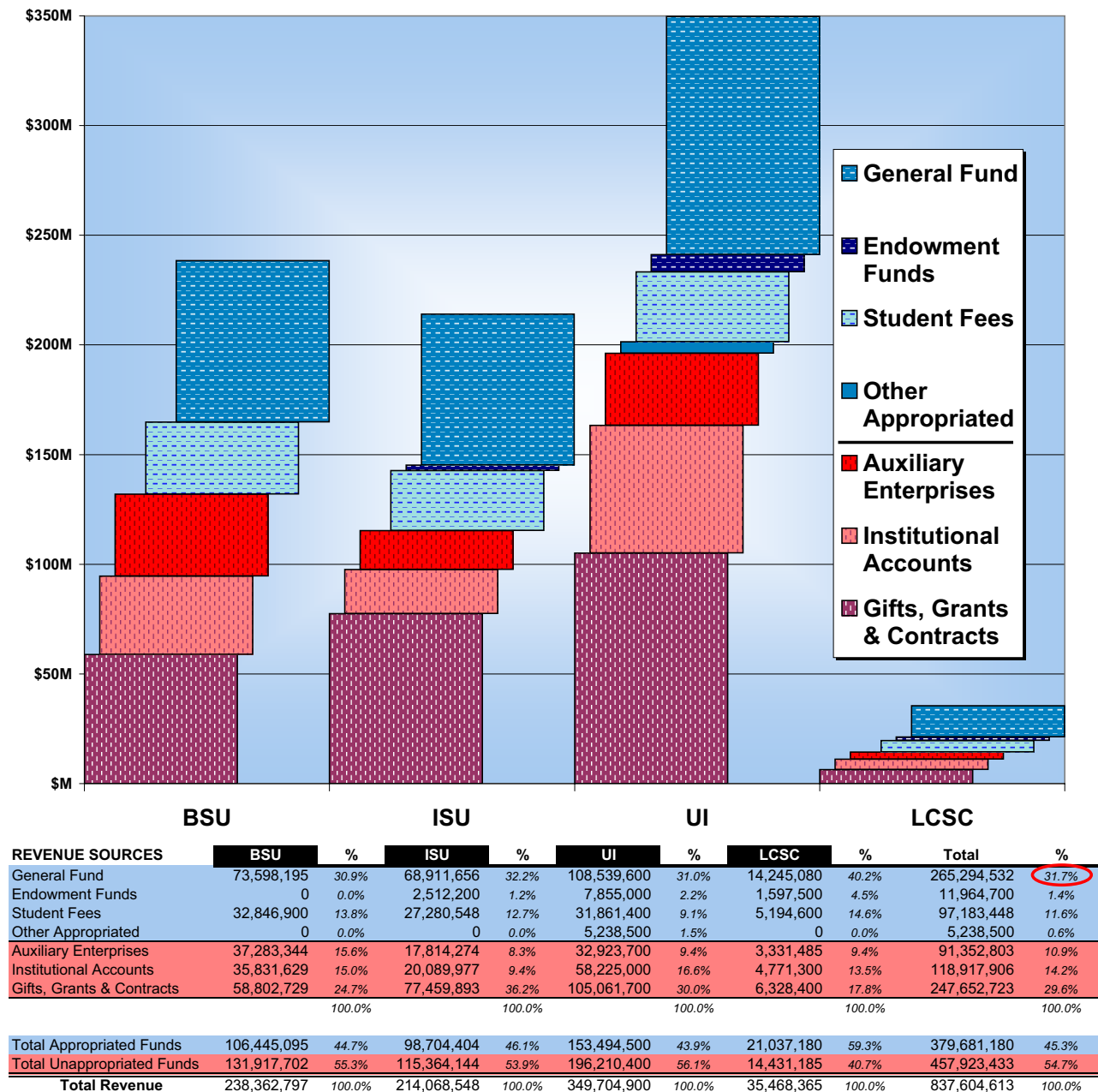


The fifteen Western Interstate Commission on Higher Education (WICHE) member states are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.

Data Source: Office of the State Board of Education

## FY 2004 All Funds Operating Budgets

Appropriated + Unappropriated Revenue



### DEFINITIONS of REVENUE SOURCES

|                           |  |
|---------------------------|--|
| General Fund              | Moneys received into the State Treasury that are available for general use and appropriated by the Legislature.                      |
| Endowment Funds           | Revenue received from five separate state endowments, each with its own dedicated use to benefit education.                          |
| Student Fees              | Primarily matriculation fees (paid by all students) and tuition (paid by nonresident students).                                      |
| Auxiliary Enterprises     | Institutional business enterprises such as bookstores, student housing, intercollegiate athletics, student unions, etc.              |
| Institutional Accounts    | Thousands of typically small activities that charge fees or sell products or services (e.g. copy machines, research labs, ag sales). |
| Gifts, Grants & Contracts | Gifts, grants and competitively bid contracts for specific deliverables. Includes federal direct student loans.                      |

Note 1: Operating budgets are spending plans developed prior to the beginning of each fiscal year.

Note 2: The numbers on this page include appropriations for Ag Research & Extension (UI), Professional-Technical Education (BSU, ISU, LCSC) and Special Programs (ISU, UI).

Note 3: Ninety percent or \$4.6 million of the "Other Appropriated" amount is federal Ag Research & Extension funds, the remainder are ARES and WWAMI dedicated funds.

Data Source: Office of the State Board of Education.